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C O N F I D E N T I A L SECTION 01 OF 02 ACCRA 000335

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TAGS: [EFIN](#) [ENRG](#) [EINV](#) [PGOV](#) [GH](#)

SUBJECT: AMBASSADOR AND CANADIAN HIGH COMMISSIONER DISCUSS
CORRUPTION, BUSINESS CLIMATE, TOGO

REF: A. ACCRA 256

1B. ACCRA 255

Classified By: EconChief Chris Landberg for Reasons 1.5 (B and D)

Summary

11. (C) On January 30, 2006, Ambassador Bridgewater paid a courtesy call on Canadian High Commissioner Donald Bobiash. They agreed Ghana has been slow to seize the opportunities it has to become a middle-income country, and also agreed the U.S. and Canada appear to care more about corruption and problems with the investment climate than other donors. Bobiash was concerned that Ghana's elite was out of touch with the reality of life for most Ghanaians, and also highlighted aid dependency as a growing problem. Like the U.S., Canada is focusing much of its aid program on the north and Muslim areas. Canada has demarched Ghana related to the International Atomic Energy Agency (IAEA) vote on reporting Iran to the UNSC. Bobiash recently returned from Togo with the impression that while calm has returned, the new President is just a figurehead. End Summary.

12. (C) High Commissioner Bobiash compared Ghana to a garden. When you first arrive, you focus on the flowers -- democracy and stability, respect for human rights, freedom of the press. The longer you are in Ghana the more weeds you see -- corruption and cronyism, incompetence, slow government decision making, and difficult business environment.

13. (C) Bobiash acknowledged that Ghana is moving generally in the right direction with regards to both economic and political reforms. He said it was at the "proverbial crossroads," where government decisions now can accelerate progress towards becoming a middle-income state. However, he said that the President and his cabinet were not showing the strong leadership necessary to achieve this goal. He noted this is particularly true on corruption, where the government is not making examples by prosecuting corrupt officials -- what Bobiash called the "litmus test" for a country's willingness to tackle corruption.

14. (C) The Ambassador commented that Canada and the U.S. seem to be the only donor countries seriously concerned about corruption and lack of transparency, referring to her recent calls on other Mission heads (reftels) who regard these as minor issues. She added that she has raised her concerns several times with President Kufuor, focusing not only on corruption but on poor treatment of foreign companies, lack of sanctity of contracts, and questionable procurement practices. The Ambassador and Bobiash compared notes on the inordinate amount of effort and time they had each spent weighing in at high-levels on business deals and breaking logjams between government ministries. Bobiash said he thought the fault was not solely with high-level officials, arguing that powerful and entrenched bureaucrats created many of the problems.

15. (C) Bobiash criticized the international community for hobnobbing almost exclusively with the Ghanaian elite, based primarily in Accra. He commented that this elite group, comprised of well-off and highly educated people in government, business, and civil society, is out of touch with the other 95% of Ghanaians. The elite have little understanding of or sympathy for the difficult conditions under which most Ghanaians live, and Bobiash argued they lack a sense of urgency to do much about it. The donor community should care about this because this has been a historical problem in Ghana, with out-of-touch, powerful, corrupt elite mismanaging the country, leading to military takeovers. Although Bobiash does not believe we are near such a point, donors should keep the pressure on Ghana to maintain its reform program, grow the economy and reduce poverty.

16. (C) Canada's assistance program is focused primarily on the northern part of the country, which the government has largely neglected. CIDA, the Canadian aid agency, has spent almost half a billion dollars on water projects in the north, and they also have programs supporting predominantly Muslim areas. Bobiash praised Ghanaian Muslim communities as relatively tolerant, although he also noted they are quite divided.

17. (C) Bobiash said he is quite concerned about Ghana's

growing aid dependency. Assistance levels are at record levels, with donors pledging over \$1.2 billion for 2006, or about 30% of the budget. Nevertheless, Bobiash argued, results have been meager. He complained that an assistance mentality has developed where government officials ask for more assistance in every meeting, and whatever donors agree to give is not enough (Note: an example is the GoG's campaign to get up to \$5 billion to pay for projects related to the NEPAD Peer Review. End Note).

18. (C) The Ambassador briefed Bobiash on Post's extensive lobbying effort to gain Ghanaian support for the IAEA to report Iran to the UN Security Council, as well as to get Ghana to clear its arrears with the IAEA. Bobiash said he had also demarched Ghana on the IAEA, most recently in December. He commented that the IAEA vote on Iran was significant for Canada and they were pushing hard on the nuclear issue. He noted that Canada had reduced bilateral relations with Iran down to almost zero and had almost pulled its Ambassador following the murder of a Canadian journalist a few years back.

Canadian HC's Impressions on Togo

19. (C) Bobiash is also accredited as Ambassador to Togo, and recently returned from presenting his credentials. He commented that Togo had stabilized and it appeared most Togolese were resigned to the current regime. He noted that the U.S. and Canada were the only two countries to call the election fixed, and was disappointed by what he termed the "cynical" EU and French reaction to the election results. During presentation of his credentials, Bobiash found the new leader shy and uninformed, and in his opinion President Faure Gnassingbe was just fronting for the key decision-makers in Togo -- his father's ex-advisors. Bobiash concluded that he did not come away from Togo overly optimistic about its future.

Comment

10. (C) The U.S. and Canadian missions are reading from the same script: Ghana is clearly a top performer among developing economies and a rising star in Africa. However, as Bobiash said in the meeting, a country with Ghana's reputation should be more aggressive at countering corruption and opening itself up to criticism and change. We need to continue to hold Ghana to a high standard to ensure gains are not lost in harder times. End Comment.
BRIDGEWATER